

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice CRP-342

For: State Offices and Service Centers

Tree Thinning Contract Extension

Approved by: Deputy Administrator, Farm Programs



1 Overview

A

Background

During CRP signups 15, 16, and 18, certain CRP participants with practice CP11, Trees Already Established, agreed to thin existing tree stands or thin existing tree stands and create and maintain open areas of native herbaceous and/or shrub plantings best suited for wildlife on 15 to 20 percent of the acreage. In doing so, participants received higher environmental benefits index points for wildlife habitat.

Participants agreed to complete the tree thinning and/or creation of open areas within 3 years of the CRP-1 effective date.

Some reports from U.S. Forest Service, industry representatives, producers, and others have suggested that many of these trees subject to thinning are in a precommercial stage and would not be economically advantageous to conduct tree thinning at this stage.

CRP participants with practice CP11, who offered to thin existing stands or to thin existing stands and create and maintain open areas, will be allowed up to 6 years from the effective date of CRP-1 to complete the required activity provided they agree to extend CRP-1 for 3 years with **no** overall additional outlays. Eligible participants may also elect to terminate all or part of the acreage under CRP-1 without refund of annual rental payments.

CRP participants electing to use the options provided in this notice must do so by COB September 1, 2000.

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Disposal Date

January 1, 2001

Distribution

State Offices; State Offices relay to Service Centers
and NRCS State Offices; FS, 80; CSREES, 5

1 Overview (Continued)

B

Purpose

This notice provides:

- policy concerning modifying certain CRP-1's to extend the expiration date for 3 years
 - policy concerning terminating certain CRP-1's without refund of payments
 - a copy of CRP-1H Addendum (Exhibit 1)
 - a copy of a letter to participants with acreage enrolled in signup 15, 16, or 18 devoted to CP11 who agreed to thin existing tree stands and/or create and maintain open areas for wildlife (Exhibit 2).
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2 Options

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Participant Options

Participants who agreed to thin existing tree stands or thin existing tree stands and create and maintain open areas of native herbaceous and/or shrub plantings best suited for wildlife on 15 to 20 percent of the acreage within 3 years of the CRP-1 effective date may do 1 of the following:

- continue with CRP-1 as offered
- terminate all or part of CRP-1 without refund of any payments or assessment of liquidated damages

Note: See paragraph 3.

- modify CRP-1 to extend the expiration date for an additional 3 years, without overall additional outlays, to complete the required thinning activity and, as appropriate, modify conservation plan to ensure that applicable operations and maintenance requirements are extended.

Note: Remaining annual payments will be prorated over the extended period. See paragraph 4.

3 Termination Policy

A Terminating All or Part of CRP-1

Participants who agreed to thin existing tree stands or thin existing tree stands and create and maintain open areas of native herbaceous and/or shrub plantings best suited for wildlife on 15 to 20 percent of the acreage within 3 years of the CRP-1 effective date may terminate all or part of CRP-1 according to this paragraph without refund of any payments or assessment of liquidated damages, if both of the following are met:

- thinning activity has not been completed

Important: Participants who have completed the thinning requirements are not eligible for this CRP-1 termination option.

- all signatories to CRP-1 request in writing to terminate CRP-1 by COB September 1, 2000.

Acreage termination is irrevocable. Acreage terminated shall not be reinstated and shall be ineligible to be reoffered for enrollment in CRP.

Eligible participants who elect to terminate CRP-1 must terminate **all** acreage devoted to CP11. Further, participants may terminate all or part of the acreage devoted to other practices on the same CRP-1 without refund of any payments or assessment of liquidated damages provided **all** acreage devoted to CP11 is terminated. Termination of any acreage devoted to other practices without termination of **all** acreage devoted to CP11 shall be handled according to 2-CRP, paragraph 288, with full refund of all payments, plus interest, and liquidated damages.

Example: In signup 15, Mary Brown offered 50 acres of existing trees (CP11) and 40 acres to be devoted to an approved native grass mix (CP2). To increase the probability of acceptance of the offer and to enhance wildlife habitat, she offered to thin the existing tree stand and create and maintain 15 percent openings for wildlife within 3 years of the CRP-1 effective date. Her signup 15 contract was approved with an effective date of October 1, 1997. Ms. Brown has not completed the required thinning. Ms. Brown may terminate, without refund of any payments or assessment of liquidated damages, 1 of the following:

- all acreage under CRP-1
- all the acreage devoted to CP11 only
- all the acreage devoted to CP11 and part of the acreage devoted to CP2.

Termination of all or part of the acreage devoted to CP2 without termination of **all** acreage devoted to CP11 shall be processed according to 2-CRP, paragraph 288, with full refund of all payments, plus interest, and liquidated damages.

Note: COC shall terminate eligible acreage immediately after all signatures are obtained.

4 CRP-1 Extension for Tree Thinning

A

Additional 3 Years to Complete Tree Thinning

Signup 15, 16, and 18 participants who agreed to thin existing tree stands or thin existing tree stands and create and maintain open areas of native herbaceous and/or shrub plantings best suited for wildlife on 15 to 20 percent of the acreage within 3 years of the CRP-1 effective date shall be provided an **additional 3 years** (6 years from the CRP-1 effective date) to complete the required thinning activity if **all** of the following are met:

- the land and participant are eligible according to subparagraph B
- all signatories to CRP-1 agree to modify CRP-1 to extend the expiration date for 3 years by signing CRP-1H Addendum (subparagraph C).

Important: Participants must forego the annual rental payment for the affected acreage the year in which the thinning activity is conducted. See 2-CRP, subparagraph 241 B.

B

Eligible Land and Participants

Only signup 15, 16, and 18 participants who agreed to thin existing tree stands or thin existing tree stands and create and maintain open areas of native herbaceous and/or shrub plantings best suited for wildlife on 15 to 20 percent of the acreage within 3 years of the CRP-1 effective date may modify CRP-1 to extend the expiration date for 3 years.

Important: CRP-1 extensions are not authorized for acreage devoted to CP11 where no thinning or open areas were offered.

Participants who agree to modify CRP-1 to extend the expiration date for 3 years shall be provided an **additional 3 years** to complete the required thinning activity. The tree thinning and/or creation of open areas **must be completed within 6 years of the CRP-1 effective date**.

Continued on the next page

4 CRP-1 Extension for Tree Thinning (Continued)

C

CRP-1H Addendum

All eligible participants who elect to modify CRP-1 to extend the expiration date for 3 years must complete CRP-1H Addendum (Exhibit 1) by COB September 1, 2000.

Important: All signatories to CRP-1 must sign CRP-1H Addendum.

Eligible participants may sign CRP-1H Addendum anytime after July 16, 1999. CRP-1H Addendum is revocable until COB September 30, 2000. All eligible signed CRP-1H Addendums and revised CRP-1 will become effective October 1, 2000.

Important: COC, or designee, shall **not** approve CRP-1H Addendum until **after** October 1, 2000. CRP-1H Addendum will be effective October 1, 2000, regardless of the COC approval date.

Note: CRP participants with effective CRP-1H Addendums must complete the required tree thinning and/or creation of open areas within 6 years of the CRP-1 effective date, that is, October 1, 1997, or October 1, 1998, for signup 15; October 1, 1998, or the first day of the month following the month COC approves CRP-1, for signup 16; or October 1, 1999, for signup 18. COC shall terminate CRP-1 with refund of all payments, plus interest, if required thinning and/or creation of open areas is not completed within 6 years of the CRP-1 effective date.

D

Revising Conservation Plans

The conservation plan must be modified as follows by:

- extending all practice lifespans on CRP-1 for 3 years for a total of 13 years
- modifying applicable operations and maintenance requirements to include the full 13 years
- providing an additional 3 years to thin existing trees and/or create open areas.

Note: Pen and ink changes may be made to revise dates.

Additional cost-share for plans revised according to this notice is not authorized.

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4 CRP-1 Extension for Tree Thinning (Continued)

E

Prorating Annual Rental Payment

CRP participants who request to modify CRP-1 to extend the expiration date for 3 years are not eligible for an increase in the total payments for the CRP-1 period. However, beginning with the annual rental payment scheduled to be made after October 1, 2001, the remaining annual rental payments **will** be prorated to provide a payment each year of the contract, including the 3-year extension.

Examples: A CRP participant enrolled acreage in CRP signup 15 with a contract effective date of October 1, 1997, and an expiration date of September 30, 2007. The participant filed CRP-1H Addendum on July 20, 1999, to extend the expiration date of CRP-1 to September 30, 2010. Before modifying to extend the expiration date, the estimated annual rental payment for the period October 1, 2000, through September 30, 2007, was \$2,000. Therefore, a total of \$14,000 is scheduled to be paid for the remainder of the contract. Beginning with the modification to extend the expiration date, the participant will receive a prorated annual rental payment of \$1,400 (\$14,000 divided by 10) for the remaining 10 years of the contract. Therefore, the annual rental payments scheduled to be made after October 1, 2001, will be \$1,400.

A CRP participant enrolled acreage in CRP signup 18 with a contract effective date of October 1, 1999, and an expiration date of September 30, 2009. The participant filed CRP-1H Addendum on September 10, 2000, to modify the contract and extend the expiration date to September 30, 2012. Before modifying to extend the expiration date, the estimated annual rental payment for the period October 1, 2001, through September 30, 2009, was \$4,860. One annual rental payment of \$4,860 will have been issued before the effective date of the modification to extend the expiration date. Therefore, a total of \$43,740 is scheduled to be paid for the remainder of the contract. Beginning with the modification to extend the expiration date, the participant will receive a prorated annual rental payment of \$3,645 (\$43,760 divided by 12) for the remaining 12 years of the contract. Therefore, the annual rental payments scheduled to be made after October 1, 2001, will be \$3,645.

Note: Procedure and System/36 software enhancements will be provided to accommodate the prorated annual rental payments in a future notice.

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5 Action

A

State Office Action

State Offices shall take action according to this table.

Step	Action
1	Download the letter (Exhibit 2), which shall be signed by CED. Note: This letter will be posted on BBS, in the “Notices” library, with the file name “CRP_THIN.PDF”.
2	Reproduce and distribute the letter to Service Centers with this notice.
3	Ensure that Service Centers mail the letter to all applicable CRP participants.
4	Provide a copy of this notice and the letter to the NRCS State Office and State Forester.

B

Service Center Action

Service Centers shall take action according to this table.

Step	Action
1	Mail the letter to all applicable CRP participants by August 31, 1999. Note: CED’s shall sign the letter.
2	Provide a copy of this notice to the local NRCS office and Service Forester.
3	Locally reproduce CRP-1H Addendum.
4	Update System/36 software to reflect the 3-year modification to extend CRP-1. Do not update System/36 software until after October 1, 2000. System/36 updates must be completed by December 31, 2000.
5	File a copy of the letter and approved CRP-1H Addendums in the participant’s CRP folder.
6	Take immediate action on requests to terminate acreage.

C

NRCS National Office Concurrence

NRCS has concurred with this notice.

D

FS National Office Concurrence

FS has concurred with this notice.

CRP-1H Addendum, CRP-1 Modification to Extend the Expiration Date for 3 Years

A**Completing
CRP-1H
Addendum**

Complete CRP-1H Addendum according to the following instructions.

Item Number	Instructions
1	Enter the State and county code.
2	Enter CRP-1 number.
3	Enter farm number.
4	<p>Enter the revised annual rental payment by dividing the total remaining payments at the time CRP-1H Addendum is effective by the remaining years of CRP-1.</p> <p>Example: Mary Brown's CRP-1 number 10 was for a total of 90 acres with an annual rental rate per acre of \$54. The total annual contract payment was \$4,860. Because 1 annual rental payment will be made before CRP-1H Addendum is effective the total remaining payments are \$43,740 (\$4,860 x 9). Therefore, the revised annual contract payment for CRP-1 is calculated by dividing the total remaining payments at the time CRP-1H Addendum is effective by the remaining years of CRP-1 (\$43,740 divided by 12), or \$3,645. The Service Center shall enter \$3,645 in CRP-1H Addendum, item 4.</p>
5	<p>Enter the new contract period. The beginning date of the new contract period must reflect the original CRP-1 effective date in CRP-1, item 9.</p> <p>Example: Mary Brown's original contract period on CRP-1 was 10 years beginning October 1, 1997, through September 30, 2007. Mary Brown completed CRP-1H Addendum to extend the expiration date for an additional 3 years. The new contract period entered in item 5 must include the 3-year extension. The new contract period will be for a total of 13 years. Service Centers shall enter the new contract period of October 1, 1997, through September 30, 2010, in CRP-1H Addendum, item 5.</p>
8	All participants shall sign and date.
9	<p>COC, or designee, shall sign and date CRP-1H Addendum after October 1, 2000.</p> <p>Note: Revised CRP-1's will be effective October 1, 2000, regardless of COC approval date.</p>
10	Enter Service Center name, address, and telephone number.

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CRP-1H Addendum, CRP-1 Modification to Extend the Expiration Date for 3 Years

B Example of CRP-1H Addendum

The following is an example of a completed CRP-1H Addendum.

REPRODUCE LOCALLY. Include form number and date on all reproductions.		Form Approved - OMB No. 0560-0125	
CRP-1H Addendum (06-23-99) U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation CRP-1 MODIFICATION TO EXTEND THE EXPIRATION DATE FOR 3 YEARS	1. ST. & CO. Code	2. Contract Number	
	3. Farm Number	4. Revised Annual Rental Payment	
	5. Revised Contract Period	6. Effective Date of Revision October 1, 2000	
7. TERMS TO MODIFY TO EXTEND EXPIRATION DATE OF THE CRP CONTRACT <p>This contract modification is entered into by the Commodity Credit Corporation (CCC) and the undersigned Participant(s) of the Conservation Reserve Program (CRP) contract identified in item 2 above.</p> <p>By signing this contract modification, the Participant(s) and CCC agree:</p> <ul style="list-style-type: none"> a. to modify to extend the expiration date of the CRP contract identified in item 2 above for a period of 3 years from the date of expiration identified in item 9 of the CRP-1. The revised contract period is identified in item 5 above. b. that Participant will thin existing tree stands and/or create and maintain open areas of native herbaceous and/or shrub plantings best suited for wildlife on 15 to 20 percent of the acreage, as provided for in the conservation plan, within 6 years of the effective date of the CRP-1, item 9. c. to comply with all other terms and conditions of the cited contract as contained in the corresponding CRP-1, CRP-1 Appendix, and any addendum thereto. d. that the annual rental payment effective beginning October 1, 2000, is equal to the amount in item 4 above. The payment equal to item 4 above is first scheduled to be made after October 1, 2001, then for each succeeding year until the contract expires. e. that this contract modification becomes effective and irrevocable on October 1, 2000. 			
8. Participant Name (Printed)		Participant Signature	Date
Participant Name (Printed)		Participant Signature	Date
Participant Name (Printed)		Participant Signature	Date
Participant Name (Printed)		Participant Signature	Date
9. Signature of CCC Representative		Date	10. Service Center Office Name and Address
			Telephone No. (area code):
<p>NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1980, as amended. The authority for requesting the following information is 7 CFR Part 1410. The information will be used to modify the CRP-1 contract by extending the expiration date for 3 years. Furnishing the requested information is voluntary. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided.</p> <p>According to the Paperwork Reduction Act of 1980, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0125. The time required to complete this information collection is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. RETURN THIS COMPLETED FORM TO YOUR COUNTY USDA SERVICE CENTER.</p> <p>The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.</p>			

Copy of Letter

Dear _____:

You recently enrolled an existing tree stand in the Conservation Reserve Program (CRP). As part of your offer, you agreed, for the benefit of wildlife, to complete one or both of the following within three years of the effective date of the CRP contract:

1. To thin the existing trees.
2. To create and maintain 15 to 20 percent openings of native herbaceous and/or shrub plantings best suited for wildlife.

Some producers have experienced difficulty in locating contractors to perform the agreed upon thinning. Based on this difficulty, we have authorized relief. Therefore, you may be eligible to:

1. Modify your existing CRP contract to extend the expiration date for 3 years and be allowed up to 6 years from the effective date of that CRP contract to complete the required thinning and/or creation of open areas. Your total overall CRP contract payment will not increase; however, the total remaining payments will be prorated to provide a payment each year of the revised contract including the extended CRP contract period.
2. Terminate all or part of your CRP contract without refund of payments received.

You may continue your CRP contract with no modifications or extension of time to complete the agreed upon thinning and/or creation of open areas for the benefit of wildlife. No other relief is authorized.

The request to modify your CRP contract to extend the expiration date or terminate all or part of the acreage without refund of payments must be completed with all signatures by September 1, 2000. If approved, the CRP contract extension will become effective on October 1, 2000.

I encourage you to contact the Service Center to discuss the options available, answer any questions you may have, and complete the necessary forms.

Sincerely,